

Millions losing Medicaid coverage, other benefits, after Biden-Republican deals

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Some 1.5 million people have been cut off Medicaid coverage over the past month, according to reports by the Associated Press and the Kaiser Family Foundation. These cuts, which are expected to swell and impact a staggering 8–24 million people, are a direct consequence of the Biden administration’s agreement with congressional Republicans last December on a budget deal that protected military spending but opened the way to massive cuts in social spending.

Millions more will lose eligibility for other social benefits as a result of Biden’s decision to end the public health emergency declaration for COVID-19. Biden allowed the PHE declaration to expire on May 11, although the pandemic continues to rage, concealed by the refusal of federal and state authorities to collect data on the impact of COVID-19 on the population. As a result, social benefits linked to the emergency declaration have expired.

Other social benefits are scheduled to expire throughout the summer. By mid-August, students with college student loan debt must begin making repayments that were suspended for the duration of the official COVID emergency. Biden’s executive action to forgive a portion of this debt, a separate measure, is currently before the Supreme Court and could be overturned by the end of this month.

Still more benefits will expire at the end of the current fiscal year, on September 30.

The summer months will thus bring a tidal wave of human suffering that hits not only the poorest sections of the population, but broad sections of young people and virtually the entire working class. This is under conditions where inflation and wage suppression, with the assistance of the unions, have steadily driven down the real incomes of working class families.

The crisis for Medicaid recipients is the most immediate. Throughout the pandemic, in return for stepped-up federal aid, state governments were barred from disenrolling Medicaid recipients except in cases of voluntary withdrawal, a move out of state, or death. With the end of the emergency, many states have begun to aggressively disqualify Medicaid recipients, a campaign pursued with special fervor by right-wing Republican state governments in Arkansas, Indiana, Utah and other states in the South and Great Plains.

Analysis by the Kaiser Family Foundation (KFF), a health policy organization, shows that at least 1.349 million Medicaid recipients have been disenrolled as of June 20, 2023, based on the most current data from 22 states. Overall, 35 percent of people with a

completed renewal were disenrolled, while 65 percent had their coverage renewed.

KFF places the number of people losing coverage at a low estimate of 8 million, a mid-range estimate of 17 million, and a high estimate of 24 million. Such calculations are difficult as states are not required to provide detailed figures on Medicaid disenrollment to the federal government.

According to publicly available reports and data obtained by the Associated Press, about 1.5 million people have already lost their Medicaid coverage in more than two dozen states that began the disenrollment process in April or May. For people whose cases were decided in May, half or more were dropped from coverage in Florida, Arkansas, Idaho, Kansas, Nevada, New Hampshire, Oklahoma, South Dakota, Utah and West Virginia.

Florida leads the way, with nearly 303,000 people losing their Medicaid benefits, according to the KFF Medicaid Enrollment and Unwinding Tracker. Sixty-five percent of enrollees lost their coverage for “procedural” reasons, while 35 percent lost coverage due to ineligibility, the most common reason being their income was too high.

Florida is one of 10 states that have not expanded Medicaid under provisions of the Affordable Care Act, which expanded coverage under the program for nearly all adults with incomes up to 138 percent of the Federal Poverty Level. The abysmally low threshold for Medicaid in 2023 is \$14,580 annual income for a single adult, \$30,000 for a family of four and \$50,560 for a family of eight.

In Arkansas, about 140,000 people have been deemed ineligible for Medicaid coverage since April. The largest number to lose coverage in May were enrolled in ARHOME, the state’s Medicaid expansion program, followed by ARKids A, which serves children from the state’s lowest-income families.

The immediate cause for most losing their coverage in what is being dubbed the “Medicaid unwinding” is the bureaucratic systems in place for people to “reenroll” in Medicaid due to the ending of the PHE.

Many people who have already lost or will lose coverage have been dropped because of “technicalities”—they haven’t returned the paperwork, they omitted required documents, their paperwork was sent to the wrong address, they received paperwork in a language they don’t understand. State agencies tasked with reviewing reenrollment are understaffed; personnel are poorly trained. Many people facing disenrollment are not even aware that

they are being dropped from coverage.

In Utah, nearly 56 percent of people were dropped from Medicaid in early reviews. In New Hampshire, 44 percent received cancellation letters within the first two months. In its first month of reviews, South Dakota ended coverage for 10 percent of all Medicaid and CHIP (Children's Health Insurance Program) enrollees.

Miriam Harmatz, founder of the Florida Health Justice Project, told *KFF Health News* that some cancellation notices in the state are vague and could violate due process rules. She also said state officials have sent cancellation letters to clients with disabled children who most likely still qualify for coverage.

The bureaucratic nightmare for those seeking reenrollment is indeed real. However, as with all matters related to the COVID-19 pandemic under both the Trump and Biden administrations, the mass disenrollment is not fundamentally a result of "red tape," but rather a deliberate policy aimed at making working people pay with their health and lives while corporations continue to amass profits and the ruling class pursues its military aims.

Medicaid was founded in 1965 as part of the Johnson administration's "War on Poverty," the last gasp of social reformism in the United States. The program is jointly funded by the federal government and the states, with the states primarily responsible for its management.

Under the PHE established on January 31, 2020, states were required to maintain "continuous enrollment" of Medicaid beneficiaries in return for a 6.2 percentage increase in federal spending for the program. Under the omnibus spending bill passed by Congress in December 2022, states were allowed to resume coverage terminations effective April 1, 2023.

As of February 2023, more than 93 million people—nearly 28 percent of the US population—were enrolled in Medicaid or CHIP. The latter provides low-cost health coverage for children in families deemed to earn too much to qualify for Medicaid. Children accounted for more than 46 percent of Medicaid and CHIP enrollment. Between March 2020 and April 2023, more than 23 million recipients were added to the Medicaid rolls.

Justifying disenrolling Medicaid recipients, Arkansas Governor Sarah Huckabee Sanders wrote in an opinion piece in the *Wall Street Journal* that "thousands of Arkansans who ordinarily wouldn't qualify for Medicaid are taking resources from those who need that safety net." She claimed that "those who lose Medicaid coverage can get health insurance through their jobs or the [Affordable Care Act] health care marketplace."

The reality is different for the millions who now stand to lose their Medicaid coverage. Between February 2020 and March 2023, the official uninsured rate dropped to its lowest level on record, in early 2022. According to the Congressional Budget Office, the uninsured rate among those under 65 is projected to rise from 8.3 percent today to 9.3 percent next year, likely an underestimate.

Arkansas resident Janette Hall told CNN that she was initially told she would lose her Medicaid because she made too much money. She then realized that it must be because she began collecting Social Security at age 62 to add to her earnings as a cook for a nonprofit group.

Hall suffers from serious foot issues but said she cannot afford

the \$78 monthly premium she was quoted. She said she'll focus on home remedies to keep her feet from getting infected while she searches for affordable coverage, but for now, "I'm going to be in that camp of people who aren't going to be going to the doctor. That's what you do when you don't want to get that bill coming to you."

The great "unwinding" of Medicaid is of a piece with the targeting of the Social Security retirement program and the Medicare program for deep cuts and ultimate privatization or elimination. The omnibus budget bill passed by Congress and endorsed by President Biden in December raised military spending by \$76 billion, or roughly 10 percent, to a record \$858 billion.

But as the WSWS has noted, "The proportion of the budget devoted to activities which could conceivably benefit working people is well under 20 percent." In addition to allowing states to begin kicking people off Medicaid, the Democrats dropped a proposal that would have restored the child tax credit to the levels that prevailed in 2020-21 as part of pandemic relief.

Despite the Biden administration's insistence that the pandemic is over, it continues to sicken and kill. Official figures place the US death toll at more than 1.1 million and millions the world over suffer from debilitating Long COVID. The ruling class has ended the collection of data on the disease, ended all mitigation measures, and refuses to promote and fund any technologies to protect workers on the job or students and teachers in schools.

Similarly, millions face destitution through being cut off from Medicaid and food stamp benefits, even as rents, mortgage rates and prices for basic necessities rise—and cuts in real wages are imposed on those who are working.

The health care system in America, which places workers and their families at the mercy of private health care chains, drugmakers and insurance companies, is subordinated to private profit. Within this framework, health care, a basic human right, is denied to millions. Genuine socialized medicine must be fought for by the working class as part of a socialist program that ends the domination of the capitalist market over the health and lives of the population.



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